

Message Text

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TO AMEMBASSY NAIROBI

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FOR: UNCTAD DELEGATION

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TAGS: UNCTAD, SOPN

SUBJECT: PRESS COMMENTS ON UNCTAD IV

1. FOLLOWING IS EDITORIAL REACTION BY THE WASHINGTON POST, MAY 10 AND THE NEW YORK TIMES, MAY 7 TO THE SECRETARY'S UNCTAD ADDRESS. BOTH EDITORIALS ARE REPRODUCED IN THEIR ENTIRETY.

2. THE NEW YORK TIMES: "MR. KISSINGER IN KENYA." SECRETARY OF STATE KISSINGER HAS CONCLUDED HIS FIRST AFRICAN TOUR ON A POSITIVE NOTE, WITH EXTENSIVE PROPOSALS AT AN INTERNATIONAL CONFERENCE IN KENYA FOR ASSISTING ECONOMIC DEVELOPMENT OF THE POORER NATIONS ON A BROAD FRONT. HIS SUGGESTIONS PICK UP WHERE HE LEFT OFF AT THE SPECIAL UNITED NATIONS GENERAL ASSEMBLY LAST SEPTEMBER AND PROBABLY REPRESENT THE MAXIMUM ADVANCE THAT COULD BE EXPECTED IN AN AMERICAN PRESIDENTIAL ELECTION YEAR--THOUGH THEY FALL WELL SHORT OF THIRD-WORLD DESIRES. MR. KISSINGER'S MAJOR NEW PROPOSAL WAS FOR ESTABLISHMENT OF A BILLION-DOLLAR INTERNATIONAL RESOURCES BANK TO PROMOTE MORE RATIONAL AND EQUITABLE RESOURCE DEVELOPMENT AND TO FINANCE TECHNOLOGICAL ADVANCE AND MANAGEMENT TRAINING FOR DEVELOPING COUNTRIES, AS WELL AS TO MOD-

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ERATE COMMODITY PRICE FLUCTUATIONS. THOUGH MR. KISSINGER

WARNED AGAINST "BLOC POLITICS" AND SUCH DEVICES AS COMMODITY CARTELS AND EMBARGOES, HE WENT FURTHER THAN THE U.S. HAD GONE PREVIOUSLY IN SUPPORTING SOME OF THE THIRD WORLD LONGSTANDING GOALS: BUFFER STOCKS, WORLD FOOD RESERVES, COMMODITY AGREEMENTS AND OTHER PROJECTS AIMED AT OPENING TRADE CHANNELS AND ELIMINATING THE VIOLENT PRICE FLUCTUATIONS SO DEVASTATING TO POOR COUNTRIES DEPENDENT ON A SINGLE CROP OR RESOURCE. AS WITH HIS MESSAGE TO THE SPECIAL GENERAL ASSEMBLY LAST FALL, MR. KISSINGER'S ADDRESS TO THE FOURTH UNITED NATION CONFERENCE ON TRADE AND DEVELOPMENT (UNCTAD) IN NAIROBI WAS SO DETAILED THAT DELEGATES WILL BE STUDYING THE PROPOSALS FOR WEEKS. BUT THE SPEECH CONSTITUTED IMPRESSIVE EVIDENCE THAT THE ADMINISTRATION, AFTER STALLING THIRD-WORLD DEMANDS FOR MANY MONTHS, IS NOW DETERMINED TO MAINTAIN THE DIALOGUE BEGUN IN SEPTEMBER AND TO REPLACE CONFRONTATION WITH POSITIVE, IF OFTEN MODEST, PROPOSALS.

3. THE WASHINGTON POST: "TREATING WORLD POVERTY." HIS AFRICAN TRIP PROVIDED SECRETARY OF STATE KISSINGER WITH TWO OCCASIONS ON WHICH TO RESPOND TO THE LESS DEVELOPED COUN-

TRIES' ASPIRATIONS TO REDUCE THE REAL ECONOMIC GAP AND THE FELT PSYCHOLOGICAL GAP BETWEEN THE WORLD'S RICH AND POOR. THIS IS A CONCERN EVER MORE CENTRAL TO AMERICAN FOREIGN POLICY, SINCE THERE IS IN THE COUNTRY A CERTAIN SENSE OF GUILT ABOUT GLOBAL POVERTY, REINFORCED BY FOREBODINGS OF OPEC-LIKE REPRISALS BY PRODUCERS OF COMMODITIES OTHER THAN OIL. ENDING TOO LONG A PERIOD OF NEGLECT, MR. KISSINGER JOINED THE ISSUE LAST FALL IN WHAT WAS WIDELY TAKEN AS A CONSTRUCTIVE RESPONSE TO "THIRD WORLD" DEMANDS FOR MAJOR CHANGES IN THE WORLD ECONOMY. BUT THE THIRD WORLD'S INTEMPERATE ATTACKS ON ZIONISM AND ON OTHER MATTERS OF AMERICAN POLITICAL CONCERN SUBSEQUENTLY DISSIPATED MUCH OF THAT INCIPIENT SPIRIT OF ACCOMMODATION. THE RESULT WAS THAT MR. KISSINGER WENT TO AFRICA REALIZING THAT, WHATEVER THE FOREIGN POLICY CONSIDERATIONS AT STAKE, HE DID NOT HAVE MUCH POLITICAL ROOM. HIS FIRST PRONOUNCEMENT WAS A DRAMATIC PROPOSAL TO "ROLL BACK THE DESERT" IN THE SUB-SAHARAN DROUGHT-PRONE REGION OF THE SAHEL. THE PRICE TAG

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GIVEN WAS 7.5 BILLION DOLS AND THE IMPRESSION GIVEN WAS THAT OF A HUGE AMERICAN INITIATIVE. ACTUALLY, THE PLAN, WHICH EXPERTS DEEM A PROMISING ONE, HAD LONG BEEN IN THE INTERNATIONAL WORKS. THE MONEY IS TO BE PROVIDED BY

MANY SOURCES AND SPENT OVER A PERIOD OF 10 YEARS. THE AMERICAN SHARE AMOUNTS TO THE ANNUAL 100 MILLION-PLUS DOLS. THAT THE UNITED STATES HAD ALREADY SAID IT WOULD PROVIDE.

THE MORE IMPORTANT OCCASION WAS THE NAIROBI SESSION OF THE UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT, THE LEADING FORUM IN WHICH THE POOR, VERY POOR AND NEWLY RICH MEMBERS OF THE THIRD WORLD (NO MONOLITH) HAVE TRIED TO WORK OUT THEIR OWN DIFFERENCES AND LEAN ON THE DEVELOPED STATES. MOST COUNTRIES OF THIS "BLOC," FINDING SELF-REFORM DIFFICULT, INSTEAD SEEK RESOURCES PRIMARILY FROM THE UNITED STATES: COMMODITY AGREEMENTS TO SUPPORT THE PRICE OF THEIR MAIN EXPORTS; CHEAP TECHNOLOGY UNENCUMBERED BY PATENTS; DEBT RELIEF, INCLUDING RELIEF OF THE IMMENSE DEBTS RUN UP TO THIRD WORLD OIL STATES; EASIER ACCESS TO WESTERN MARKETS; AND THIRD WORLD POWER IN GLOBAL ECONOMIC DECISION-MAKING. SKIPPING THE TOUCHY MATTER OF SELF-UPLIFT, MR. KISSINGER BORE DOWN PRINCIPALLY ON COMMODITIES. BUT WHERE MANY PRODUCERS WANT THE ASSURANCE OF STEADY AND CONSUMER-SUBSIDIZED MARKETS, HE PROPOSED A NEW "BANK" TO FUNNEL PRIVATE CAPITAL INTO RESOURCE DEVELOPMENT. FEW PEOPLE OUTSIDE THE STATE DEPARTMENT SEE MUCH NEED FOR A NEW BANK. THE IDEA IS NOT STRONGLY SUPPORTED BY OTHER EXECUTIVE DEPARTMENTS. THE CONGRESS WILL PROBABLY PAY MORE HEED THAN THE SECRETARY TO CORPORATE MISGIVINGS. THE CONTROVERSIAL RECORD OF WESTERN CORPORATIONS, IN PRECISELY THE EXTRACTIVE INDUSTRIES THAT THE PROPOSAL WOULD MOST AFFECT, IS BOUND TO BE REVIVED. ALL THIS DOES NOT NECESSARILY MEAN IT'S A BAD IDEA. IT MEANS THE UNITED STATES IS ENGAGED IN A NEGOTIATION. THE THIRD WORLD'S PURPOSE IN INITIATING THE NEGOTIATION, WITH A DEMAND FOR A "NEW INTERNATIONAL ECONOMIC ORDER," IS NOTHING LESS THAN TO REFIT THE WORLD ECONOMY TO NEW POLITICAL FORCES THEMSELVES STILL IN A MOLTEN STAGE. IT WILL GO ON FOR YEARS. THERE IS SOMETHING MORE IMMEDIATE TO DO. THE FIRST AMERICAN INSTALLMENT OF 375 MILLION DOLS. TO REPLENISH THE WORLD BANK'S WINDOW FOR THE VERY POOR, THE INTERNATIONAL DEVELOPMENT ASSOCIATION-UNCLASSIFIED

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TION, FELL DUE LAST FEBRUARY. THE FULL AMOUNT HAS NOT YET BEEN AUTHORIZED; THE INCOMPLETE APPROPRIATION WAS IN THE AID BILL JUST VETOED. IT IS TRUE THAT SOME COUNTRIES SEEM MORE INTERESTED IN EXACTING FRESH PSYCHIC REVENGE FROM THE UNITED STATES THAN IN SEEING REAL RESOURCES TRANSFERRED THROUGH FAMILIAR CHANNELS LIKE THE WORLD BANK. BUT THIS DOES NOT ABSOLVE THE UNITED STATES OF COMMITMENTS UNDERTAKEN IN THE PAST; ON THIS PARTICULAR COMMITMENT, MOREOVER, THE COMMITMENTS OF OTHER DONOR NATIONS HINGE. THE INTERNATIONAL COMMUNITY HAS GOOD REASON TO BE SKEPTICAL ABOUT AMERICAN WORDS WHILE THIS COUNTRY'S OBLIGATIONS TO IDA REMAIN UNFULFILLED.

4. FURTHER REACTIONS BY THE DOMESTIC AND FOREIGN PRESS WILL FOLLOW. KISSINGER

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